

THE KLINE GALLAND CENTER

1200 University St, Suite 100

Seattle, WA 98101-2883

(206) 652-4444

FAX: (206) 652-4500

www.klinegalland.org

Date: November 10, 2008

To: Lehman Brothers Special Financing Inc.
745 Seventh Avenue, New York, NY 10019
Attention: Municipal Derivatives Finance

CHIEF EXECUTIVE OFFICER
Jeffrey D. Cohen

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Douglas Rosen, Vice-Chairman
Sally Narodick, Treasurer
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Allyson Carine – Senior Vice President
Capital Markets Contracts – Legal
Lehman Brothers
1271 Avenue of the Americas, 43rd Floor
New York, NY 10020

From: Kline Galland Center
1200 University Street, Seattle, WA 98101-2883
Chief Financial Officer

Termination Notice

Dear Sir or Madam:

Reference is hereby made to that certain ISDA Master Agreement between Lehman Brothers Special Financing Inc. ("Party A") and Kline Galland Center ("Party B") dated as of December 14, 2006 (together with the Schedule thereto, all annexes thereto and the Confirmations of all Transactions outstanding thereunder, the "Agreement"). Capitalized terms used and not defined herein have the meanings given in the Agreement.

Following the Notice of Event of Default Notice and Request for Consent attached hereto as Annex A (the "Default Notice") sent by Party B on September 26, 2008 with respect to the bankruptcy of Party A's Credit Support Provider, Lehman Brothers Holdings Inc., which constituted and continues to constitute an Event of Default under Section 5(a)(vii) of the Agreement with Party A as the Defaulting Party, Party B hereby notifies you of the following:

- 1) Pursuant to Section 6(a) of the Agreement, Party B hereby designates November 10, 2008 as the Early Termination Date in respect of all Transactions.
- 2) The Settlement Amount payable in connection with the designation of the Early Termination Date will be determined by Party B, as the Non-Defaulting Party, in accordance with the terms of the Agreement, including the terms outlined in Section 6(e)(i)(3) of the Agreement and in Part 1(e) of the Schedule to the Agreement.
- 3) Party B, as the Non-defaulting Party, has identified the following dealers as "Reference Market-makers", each of which qualifies under the terms of Part 1(e) of the Schedule to the Agreement and the definition of "Reference Market-makers" in Section 12 of the



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EXHIBIT B

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Agreement and to which Party A did not object and therefore is deemed to have consented in accordance with the terms set forth in the Default Notice:

- i) Bank of America
- ii) Citibank
- iii) Deutsche Bank
- iv) JP Morgan
- v) KBC
- vi) Morgan Stanley
- vii) Wells Fargo

- 4) Party B will solicit quotations for each Transaction from the Reference Market-makers on or as soon as reasonably practicable after the Early Termination Date, in accordance with the Market Quotation payment measure set forth in the Agreement.
- 5) Once the Settlement Amount is determined, in accordance with the Agreement Party B will provide Party A with a statement of the amount payable under Section 6(e) of the Agreement by Party A or Party B, as the case may be. The payment date for the amount payable under Section 6(e) of the Agreement will be two Local Business Days after the date on which notice of such amount to Party A is effective.
- 6) Please note that pursuant to Section 9 of the Agreement, Party B will, in due course, be claiming an indemnity (whether by set-off or otherwise) for its reasonable out-of-pocket expenses, or other direct or consequential damages, including, without limitation, legal fees, incurred by reason of the enforcement and protection of Party B's rights under the Agreement or any Credit Support Document and/or by reason of the early termination of the Transactions.

We thank you for your cooperation and we look forward to working with you on completing the above process in a timely manner. Nothing contained herein or related hereto shall be deemed to waive, limit or alter any of our rights, claims or causes of action under applicable law, the Agreement, any related documents or any matter related thereto. All such rights, claims and causes of action are hereby reserved.

Sincerely,

Jeffrey Cohen



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